



MONTHLY UPDATE – November 2005

## RURAL ECONOMIC DIVERSIFICATION PROGRAM

### PROJECT BACKGROUND

The Rural Economic Diversification Program (USAID-RED) is a four-year initiative of the United States Agency for International Development (USAID) that is designed to increase incomes and employment opportunities in the rural communities of Honduras. USAID-RED focuses on increasing the competitiveness of micro, small and medium-sized rural companies in Honduras by expanding local sales, exports and investment in higher-value and value-added products.

USAID-RED points to agribusiness as an engine for growth given its multiplying effects within the rural economy and its capacity to rapidly augment incomes and employment opportunities. The subsectors of agribusiness chosen by USAID-RED include:

- Fresh horticulture (wide variety of fruit, vegetables)
- Floriculture (ornamental) products
- Processed horticultural products (frozen, canned, dehydrated, freshly cut, in brine, and microprocessor products)
- Milk production and processed dairy produce
- Fish farming (small- and medium-scale tilapia production)
- Agricultural products suited to small farms (high quality wood, vanilla, black pepper and other spices)

In each sector, USAID-RED provides technical assistance on all points along the farm-to-market value chain. USAID-RED's direct interventions and interventions through counterparts and private-sector organizations include assistance in:

- Marketing
- Research and product development
- Production
- Postharvest handling
- Processing
- Sanitary systems/Phytosanitary

**For additional information please contact USAID-RED in La Lima, Honduras.**

**Phone: (504) 668.2078**

**Fax: (504) 668.1190**

**E-mail: [red@fintrac.com](mailto:red@fintrac.com)**



*Tomato Binding*

### TRAINING

99 trainings took place in November; 1,392 people were trained – 1,040 men and 352 women in the following areas:

Area	# Events	# Persons
EurepGap	15	363
Marketing	2	40
Postharvest	9	116
Processing	8	55
Production	62	743
Project	3	75
<b>Total</b>	<b>99</b>	<b>1,392</b>

Examples: Integrated pest management systems, handling of chemicals, tomato transplants, management and installation of irrigation systems, harvest and classification of sweet potatoes for export, basic production practices, and personal hygiene models (GAPs), etc.



*Revision of Floral Inductions in Mango*

## TECHNICAL ASSISTANCE ACTIVITIES

### MARKETING AND MARKET INFORMATION

- Liaison established between U.S. broker and cucumber, eggplant and zucchini exporters.
- Liaison established between cucumber plant and fast food chain.
- Coordinated visits with marketing consultant in Honduras to help bring in new business opportunities.
- Banana and cassava producer directory created for processing plants.
- Producers received list of banana buyers in the U.S.
- Marketing survey done on sesame export markets.
- Distributed okra and melon quality specifications for export to the U.S.
- Micro processor product lines were broadened in the south central zone.
- Price bulletins and fruit volumes given to FOPRIDEH-affiliated institutions.
- Information provided on international prices of cashew nuts.
- Information provided on the processed mango market.
- Shipping quotes to Holland and the United Kingdom provided.
- Coordination of exports of jalapeño peppers to plants in Guatemala.
- Liaison established between sack providers and pepper producers.
- Samples of sweet potato chips were sent to the U.S.

### PROCESSING

- Equipment and equipment providers were recommended to micro processing plants.
- Nutritional values provided for various products.
- Process flow charts for making marmalade were developed and given to clients.
- Information on integrated quality systems given to processing plants.
- Analysis of water activity.
- Information provided on mango pulp processing.
- Searched for and identified new businesses in the central, southern, Atlantic coast and western zones.
- Support given to the coconut water conservation process.
- Recommendations given to improve processing plants in schools.
- Liaison established between micro processors and fruit and vegetable providers.
- Sesame processing analyzed to find ways of improving it.
- Flow chart created for fermented and acidified cucumber process.
- Support given to the certification of plants by the FDA.
- Equipment quotes were obtained for cashew nut processing.
- Work done with plants for HACCP accreditation.

### POSTHARVEST

- Fruit and vegetable packing designs created for local market and Bay Islands.
- Different packing alternatives were tested for processed products.
- Sampling was done for sweet potato crop programming on several farms in different regions of the country.
- Sweet potato sampling done to identify postharvest problems.
- Postharvest handling improvements for bananas.
- Initiated peeled banana technique for processing plants.
- Technical assistance offered on fruit selection.
- Technical guide developed for postharvest handling of bananas.
- Supervision and training for tomatoes, onions, peppers, and carrots.
- Transportation management.
- Visits to sites where packing plants will be built and construction designs were handed out.
- Visits to cucumber and pumpkin packing plants where suggestions for improvement were made before the beginning of the season.
- Technical assistance provided for the design, construction and flow of a new sweet potato packing plant.

### Advances in Select Crops – November 2005

#### Sweet Corn:

2.3 hectares planted;  
21,300 trays sold to  
supermarkets;  
Lps. 298,000 sold.

#### Nathaly Sweet

**Pepper:**  
18 hectares harvested;  
28 trucks sent to El  
Salvador; 540,000  
pounds; \$154,800 sold.

#### Chayote:

16 hectares harvested;  
8 hectares planted;  
2.34 million pounds  
harvested;  
\$420,000 sold.

#### Sweet Potato:

6.5 shipment  
containers exported:  
1.5 to England, three  
to Holland and two to  
Canada; 32 hectares  
were planted.

#### Banana:

540,000 pounds  
harvested and sold to  
five local and regional  
buyers;  
Lps. 1.02 million sold.

**PRODUCTION**

- Production manuals given to interested producers of tomatoes, lettuce, peppers and cassava.
- Fumigation and fertilization calendars handed out for pumpkins, peppers, tomatoes and sweet potatoes.
- Planting of cucumbers, watermelons and pumpkins began for the 2005-2006 export season.
- Cost production bulletins were issued.
- Coordination of independent producers' project for those interested in planting peppers.
- Undergrowth and pest control on small plots.
- Alternaria control in lettuce.
- Improvements in soil preparation.
- Support given to zucchini production project in the southern zone.
- Use of salicylic acid.
- Density management in chayote crops.
- Virus and bacterial spot control in tomato and pepper crops.
- Seedling management of onions.
- Training on identifying problems related to the reduction of chemicals in new zones. Thrips and mildew control in onions.
- Implementation of basic production practices for producers who recently joined the program.
- Live barriers set as wind breakers.
- Eggplant pruning.
- Floral induction and pruning implemented on mango plantations.
- Implementation of contour ploughing in mountainous areas.
- Training offered on installation and use of drip irrigation systems.

**PUBLICATIONS AND PRESENTATIONS**

Article written on the use of trichoderma to control fungus; manual on seedling production in seedbeds; carrot production manual; manual on sanitary installations in the field; technical bulletin on chayote production; drinking water sampling done; sampling done on different onion varieties; technical bulletin on plant cleaning and hygiene; presentation given on the Correct Use of Agrochemicals ("Uso Correcto de Agroquímicos").

**INVESTMENT**

Investment of more than \$789,000 was reported by USAID-RED clients. Most investment was in installation and irrigation equipment; exhibits and fairs (U.S., Germany and Spain), infrastructure and processing plant equipment; irrigation infrastructure (wells); and packing plant construction.

**GAPs and GMPs**  
 Traceability codes were implemented for cucumber, pumpkin and sweet potato packers; follow-up provided for implementation of master plans on farms and packing plants; designs and installation of sanitary services were completed; pump cleaning stations; initial audits started for mango and jalapeño pepper producers who are entering the certification process; project technicians traveled to EurepGap-certified businesses in Costa Rica; implementation of GAPs with producers who target the local market; several products were approved and MRL set (Maximum Residue levels) by EPA for radicchio, lettuce, tomato, carrot, and endive production manuals.



*Cucumber Binding and Trainings*



*Training on Drip Irrigation Management, Hygiene and Preparation of Banana Slices*



*Recycled Chayote Drip Tape*

### USAID

Information provided for the results obtained from CDA and RED (for internal USAID report); success stories prepared for sweet potato and sweet pepper production; follow-up given to group of Lenca women in Intibucá; monthly meeting; meetings held with other USAID projects – “Title II” y “Governability and Transparency”.

### RESULTS/IMPACT

First 2005-2006 season exports of European cucumbers sent to the U.S. and pumpkins to Russia; producer in Ocotepeque sent jalapeño peppers to Guatemala for the first time; first exports of Trichoderma (biological control for fungus) sent to Jamaica; first crops of carrot program had excellent yields and sales for small producers; successful floral induction on several mango farms, production expected in the second week in April; for the first time bananas were exported to France; construction of sanitary installations and improvements to packing plants to meet quality and good practice standards.

### DAIRY PRODUCT PROGRAM

**Production:** Visited producers that supply milk to the five plants benefiting from the PROMESAS alliance; information gathered on milk providers, production data and location; production equipment quotes were obtained to ensure the necessary improvement in practices and milk quality; visits to cattle farmers in Atlántida, Colón, Cortés and Copan to inform them about the Program’s reach and objectives; revision of farms’ financial objectives, nutritional procedures, reproduction processes; supervision of milking process to find ways to improve efficiency.

**Processing:** Operational problems resolved; procedures in chosen plant improved; equipment quotes were taken to six processing plants; improvement and investment plans were generated to provide training on HACCP pre-requisites; support given in the

elaboration of the new industrial plant design to be installed at La Ceiba in 2006 (This plant will be able to process 300,000 liters of milk per day).

**New Product Development:** Tests have been done on products such as cottage cheese, fresh panela cheese, light curd cheese, kraft cheese, crumbling cheese, cream cheese and yogurt; tests on cottage cheese, crumbling cheese, cream cheese, and sour cream had satisfactory results.

**Commercialization:** Research done on local dairy product market; regional results (Guatemala and El Salvador) obtained from a separate study will be incorporated in December; plan of action was developed to improve the commercialization and quality of processed dairy products produced this month.

**Results/Impact:** Processing plant has increased production by 33 percent adding powdered milk to fresh products; uniformity in consistency and flavor was achieved using the correct temperature and formula. As a result, 270 additional liters were added to the 800 received daily. This permits the plant to produce more butter, which increases the plant’s daily profitability.



*Artisan Milk Processing*



*Milk Production in Stables*



*Mechanized Milking*



*Sweet Potato Sampling*

### USAID-RED

USAID-RED is implemented by Fintrac, Inc. and other key partners including Land O'Lakes Inc., FHIA, FOPRIDEH, Zamorano, and more than twenty other partners from the private sector in Honduras.

The authors of this document are responsible for its contents which do not necessarily reflect the views and opinions of USAID.

### FINANCIAL INSTITUTIONS

Needs matrix created for financial institutions (FI), based on interviews with financial consultant during September and October; proposal written on the work to be done by USAID-RED with the FIs and letters were sent to banks and DFI's for information and follow-up. Meetings were set up to elaborate action plans based on each institution's reply.

**Initial Meetings:** with World Relief of Honduras, Banco Atlántida, Covelo, IDH, FUNED and Red Katálisis to inform them about the project and to plan future meetings.

#### Micro financial Institutions:

**Fundación Covelo:** USAID-RED was broadened, adding new clients from Comayagua, the north coast, milk processors and others interested in CRELS.

**FUNED:** Revision of 2006 Operative Plan in Yoro and search for partners in that zone.

**Others:** USAID-CDA and RED project was presented at Micro Financial Symposium organized by BID and USAID-RED in Tegucigalpa; project was presented to agricultural schools and NGOs – private development organizations affiliated to FOPRIDEH; consulting on gender focused strategy began; installation of sample irrigation systems; survey done on the need for business development services; initial visits to tilapia farms.

### ACTIVITIES WITH PARTNERS

**FHIA:** Research studies were done on varieties and wind breaker barriers for different select crops; tests done on virus identification; alliance proposal for electricity generating project.

**MOPAWI:** Meetings to finalize work plan for Gracias a Dios.

**CHF:** Follow-up on sweet potato crops; meeting to talk about other activities that can be conducted with collaboration.

**Agrobiotek, Cadelga, Crop Life, Certec, Fenagh:** Meeting to create collaborative alliances.

**FOPRIDEH:** Creation and dissemination of bulletins on market prices and fruit trends, ornamentals and grains; support in creating market liaisons; results of CDA-FOPRIDEH program were presented.

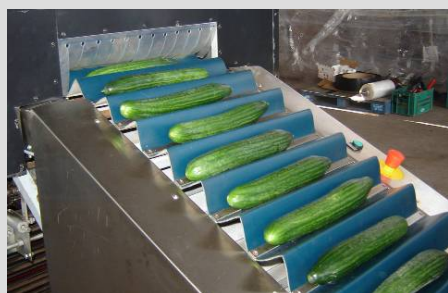
**USDA:** Work scheduled to improve access to markets.

**SAG: Meeting with SENASA** personnel to create an admissibility committee; planned Assignee Program with DICTA.

**Agricultural Schools:** Meeting with eight schools to describe work plan; received proposals from each school.

**World Vision – Yoro:** Meetings to define operational plan for 2006 and talk about activities that can take place with collaboration.

**Global Village Project:** Training technicians offered support and provided with presentations that they can present to their clients.



*Packing European Cucumbers*



*Onion Transplants*



*Diversified Farm: Jalapeño, Tilapia and Chayote*